

A Guide to CalPERS

Reinstatement From Retirement

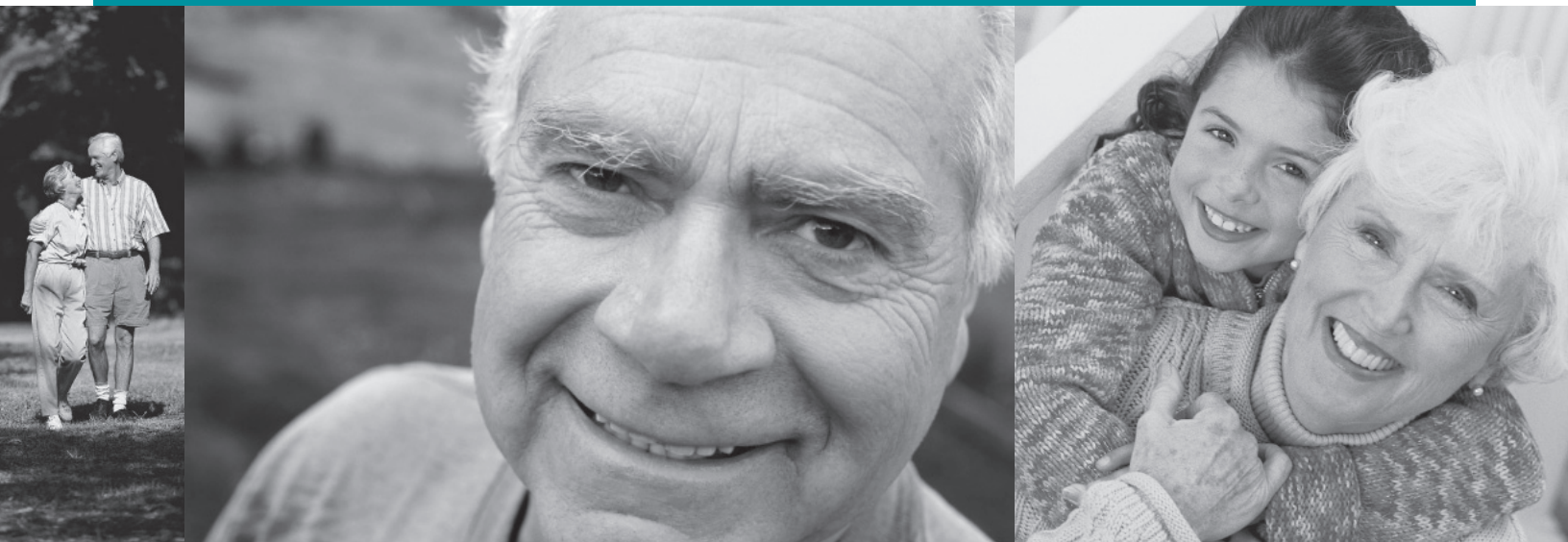


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Reinstatement from Retirement

After you have retired, you may decide to return to permanent employment with a CalPERS employer to earn additional service credit towards a subsequent retirement. This process, known as reinstatement from retirement, is described in this publication. If you are reinstating from service retirement, you must have a firm start date or hire date from a CalPERS employer and submit the *Reinstatement from Service Retirement Application*. If you are reinstating from disability or industrial disability retirement, you must submit the *Reinstatement From Disability/Industrial Disability Retirement Application* and be approved for reinstatement before you may return to work.

Any CalPERS retiree may request approval from CalPERS to reinstate into active employment with a CalPERS employer whereby the retirement benefit allowance is cancelled and the retiree resumes active member status and earns additional service credit from that employment towards a subsequent retirement.

California retirement law governs the type of employment you may have with a CalPERS agency after you have retired. You must reinstate from retirement before you go back to work in a permanent position with an employer covered by CalPERS.

If your employment with a CalPERS employer will be a **temporary appointment**, to do work of limited duration, and you have specialized skills, or your employment is required in an emergency to prevent stoppage of public business, the maximum amount of hours you may work is 960 in a fiscal year. A fiscal year is any year commencing on July 1 and ending the following year on June 30. Your pay rate must be no more or no less than the rate paid to an employee doing similar duties. Please refer to the *Employment After Retirement* publication for additional information on your eligibility for temporary employment and what kind of employment is permissible without reinstatement.

Note to members retired concurrently from CalPERS and another reciprocal or “non-reciprocal” California public retirement system: You must reinstate from CalPERS retirement only to a position with a CalPERS employer. There is no provision in the Retirement Law for your CalPERS retirement to be suspended while you reinstate to active employment with an employer under a different California public employee retirement system.

Before you make the decision to reinstate, we **highly recommend** that you read this entire booklet. Consult with your prospective employer’s human resources or personnel office to determine your specific benefits as a retiree of your prospective employer. CalPERS staff are also available to answer questions at toll free **888 CalPERS** (or **888-225-7377**).

Unlawful or “Illegal” Employment

If you accept a **permanent** appointment and begin working for a CalPERS employer before applying to CalPERS for reinstatement, your employment is in violation of state law. **This is true whether or not the employment will exceed the 960 hour limit.** Upon notice to CalPERS of this unlawful employment, you will be subject to mandatory reinstatement retroactive to the date the unlawful employment began. The law also requires you to:

- **Reimburse CalPERS** for the total retirement benefits you received during the period of illegal employment;
- **Pay CalPERS** the employee retirement contributions that would have been submitted during the period of unlawful employment, plus interest; and
- **Reimburse CalPERS** for administrative expenses incurred in handling this situation, to the extent you are found to be at fault.

Any CalPERS employer that employs a retired member in violation of the law will be required to:

- **Pay CalPERS** the employer retirement contributions that would have been submitted during the period of unlawful employment, plus interest; and
- **Reimburse CalPERS** for administrative expenses incurred in handling this situation, to the extent the employer is found to be at fault.

How Reinstatement Affects Subsequent Retirement

Loss of Previous Retirement Benefits

Please be aware that your new retirement may not include the same benefits you had with your previous retirement. You should discuss with your prospective employer the benefits you will receive when you retire again. For example, does the employer you will reinstate with provide medical benefits to its retirees? Will you be eligible for these benefits when you retire under that employer's plan?

Retirement benefits that will change or be lost by reinstatement:

- Retiree medical coverage depends upon benefit offered by employer at re-retirement;
- “Golden Handshake” additional service credit is permanently lost by reinstatement;
- Temporary annuity payments must be elected at re-retirement;
- The annual cost-of-living allowance (COLA) increase will begin in the second calendar year after re-retirement; and
- The Purchasing Power Protection Allowance (PPPA) is a special payment to those retirees whose purchasing power has dipped below threshold levels established by law. You may lose eligibility for this benefit at re-retirement.

Sick Leave Service Credit from Previous Retirement

State Agency

If you are reinstating within 6 months of your retirement date, your unused sick leave will be restored to your active employee balance if you return to State



employment. Any sick leave service credited to your retirement account will be removed.

If your reinstatement is more than six months after your retirement date, any sick leave service included in your retirement allowance will remain in your retirement account to be included in your benefit calculation when you retire again in the future.

School or Public Agency

Your sick leave service credit will remain in your retirement account. If your employer will be crediting it to your active employee account, they **must** notify CalPERS immediately so the sick leave credit can be removed from your retirement account balance.

Re-Retirement after Reinstatement

If you are reinstating to take advantage of an improved retirement formula for previous service, there may be restrictions for having that previous service credit calculated with the improved formula upon re-retirement. For information concerning your retirement formula benefits when you re-retire, contact your human resources or personnel representative.

See the section “When you Retire Again” in this booklet for details on allowance calculation.

Avoiding an Overpayment of Retirement Allowance Due to Reinstatement

You can avoid incurring an overpayment of retirement allowance due to reinstatement to active employment by submitting your *Reinstatement From Service Retirement Application* or *Reinstatement From Disability/Industrial Disability Retirement Application* before you begin active employment with a CalPERS employer. If you do not, you will be required to reimburse CalPERS the total amount of retirement allowance you receive during the same period for which you receive salary or wages.

Reinstatement from Service Retirement

You cannot reinstate from retirement before you have been hired by a CalPERS employer. To voluntarily reinstate from service retirement into active employment you must have a firm start date or hire date from the CalPERS employer **and** submit the completed *Reinstatement From Service Retirement Application* form in this publication as follows:

- You must complete Sections 1 and 3 of the application;
- Your employer’s human resources or personnel representative completes Section 2 of the reinstatement application;
- You must send the completed application to:
CalPERS Benefit Services Division
P.O. Box 942716
Sacramento, CA 94229-2716



- Upon receipt of your completed reinstatement application, CalPERS will notify you in writing verifying the dates your retirement ends and your reinstatement starts.

Reinstatement from Disability or Industrial Disability Retirement

If you are retired for disability or industrial disability and wish to reinstate to a **permanent** position with a CalPERS-covered employer, you must:

- Complete Section 1 on the *Reinstatement from Disability/Industrial Disability Retirement Application* form provided in this booklet;

..... or

If you are a safety member retired for industrial disability and wish to reinstate to a **permanent** miscellaneous position with a CalPERS-covered employer, you must:

- Complete Sections 1 and 2 if you are requesting reinstatement under Government Code Section 21197 to a position that is classified as miscellaneous. Upon subsequent retirement, the retirement allowance will be recalculated using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If eligible for a service retirement after the miscellaneous employment, you may receive whichever allowance is greater but will retain the industrial disability retirement classification (Government Code Sections 21197 and 21200).

Please refer to the section “When You Retire Again” for important information you will need to follow to resume retirement under GC 21197.

Then you must also:

- Have your prospective employer complete Section 3 of the application form, stating their “intent to hire” you upon CalPERS approval, **if the job is different from the job you held at retirement**. This section does not need to be completed if you are requesting to reinstate to the same job you held at retirement;
- Attach a copy of the current job description for the position to which you are requesting to reinstate; and
- Request a written report from your physician who specializes in your disabling condition stating that he/she has recently examined you, reviewed the job description of your prospective job, and finds you able to perform the duties of the position with no limitations. CalPERS may require an independent medical evaluation to supplement your doctor’s report. If so, CalPERS will select the medical specialist, schedule the appointment, and pay for the examination.

Under certain conditions you may work more than 960 hours for a CalPERS-covered employer while receiving a disability retirement benefit. Please refer to the *CalPERS Employment After Retirement* booklet for more information on employment that is permissible without reinstatement.

CalPERS Must Approve Your Reinstatement Before You Begin Working

The process for reinstatement from disability or industrial disability retirement can take from three to five months. You should submit your reinstatement request as far in advance as possible. You may request a specific reinstatement date, but the effective date of employment cannot be prior to the date of CalPERS approval. Once CalPERS approves your reinstatement and receives a hire date, your retirement allowance ceases to be payable on the date of re-employment. When you decide to re-retire, you must submit an application for retirement stating your new retirement date.

Local Safety Members

If you retired for disability or industrial disability from a public agency for local safety position, **and you are requesting reinstatement to any public agency local safety position**, you must submit your initial application for reinstatement to the agency from which you retired. That agency will determine your eligibility for reinstatement.

Important Information for State and CSU Retirees

If you are a State of California or California State University disability retiree, you have various reinstatement options. Refer to the information in the **Reinstatement from Disability or Industrial Disability Retirement section of this booklet**. If your disability is determined to be no longer incapacitating for duty in the position you held at the time of retirement, you can reinstate to that position. Alternatively, you can reinstate to another position in the same classification. However, if you opt for the alternative and reinstate into any position in the same classification other than the position from which you retired, you will forfeit all reinstatement rights to the position you held at the time of retirement.

Example

Mr. Smith is retired because of a disability from his position as an Office Assistant with Department A. Thereafter, Mr. Smith's condition improves and he is determined to be no longer incapacitated for duty as an Office Assistant with Department A. Mr. Smith may reinstate to his former position as an Office Assistant with Department A. Alternatively, Mr. Smith may reinstate into a vacant Office Assistant position with Department B. If Mr. Smith reinstates into an Office Assistant position with Department B, he will thereafter forfeit any right to reinstatement as an Office Assistant with Department A.

When You Retire Again

Service Retirement

To apply for service retirement after reinstatement, refer to the *Stepping Into Retirement, A Guide to Completing Your CalPERS Service Retirement Election Application* booklet.

Disability or Industrial Disability Retirement

If you become unable to perform your current job duties due to illness or injury that is expected to be permanent or last longer than six months, refer to the *A Guide to Completing Your CalPERS Disability Retirement Application* booklet.

Re-retirement under Government Code Section 21197

If you are re-retiring under GC 21197, you must:

- Submit a new *Disability Retirement Election Application*;
- Write on the application, “Retiring under GC 21197”; and
- Call CalPERS toll free at **888 CalPERS** (or 888-225-7377) to advise us you are re-retiring under GC 21197.

Government Code Section 21197 does not require medical and vocational information to resume your retirement.

Your eligibility for coverage for health, survivor, and death benefits may change when you re-retire after reinstatement. See page 3 for information regarding the effect of reinstatement on subsequent retirement.

For additional information concerning your benefits when you re-retire, contact your human resources or personnel representative.

Calculating Your New Retirement Allowance

When you retire again after reinstatement, several factors are used to calculate your new retirement benefit allowance, including final compensation and service credit. Final compensation is your average monthly pay rate for 12 or 36 consecutive months of your new employment, depending upon your employer’s contract with CalPERS.

If your new employment is shorter than your employer’s normal final compensation period, your final compensation will be based partly on your pay rate before your previous retirement.

For example, if your employer has a three-year final compensation period and you worked for two years after reinstatement, CalPERS will add one year of your previous pay rate to complete the three-year final compensation period.



If you have earned less than one year of service credit after reinstatement, your new retirement allowance will be calculated using the service credit earned during this period, your age at re-retirement, your final compensation after reinstatement, and your allowance prior to reinstatement. Using the following as an example, your new allowance would be calculated as shown.

Service credit after reinstatement	=	0.5 years
Benefit factor for new retirement age (65)	=	2.500
Final compensation	=	\$2,200
Allowance prior to reinstatement	=	\$500

Step 1

0.5	service credit after reinstatement
x 2.50%	benefit factor for new retirement age
1.25%	percent of final compensation

Step 2

1.25%	percent of final compensation
x \$2,200.00	final compensation
\$27.50	allowance on new service

Step 3

\$27.50	allowance on new service
+ \$500.00	allowance on old service
\$527.50	total new allowance

If you have earned one year or more of service credit after reinstatement, your new allowance will be calculated using your service credit for your employment both before and after reinstatement, the benefit factor for your new retirement age and your “determined age,” the length of time you were retired, and your final compensation. “Determined age” is your age at re-retirement, minus the number of years and months you were retired.

Using the following as an example, your new allowance would be calculated as shown.

Service credit after reinstatement	=	4.200 years
Benefit factor for new retirement age (65)	=	2.500
Final compensation	=	\$2,200
Service credit for prior retirement	=	9 years
Length of retirement	=	6 years
Benefit factor for determined age (65 – 6 = 59)	=	2.250

Step 1

4.20	service credit after reinstatement
x 2.50%	benefit factor for new retirement age
10.50%	percent of final compensation



Step 2

10.50%	percent of final compensation
x \$2,200.00	<u>final compensation</u>
\$231.00	allowance on new service

Step 3

9.00	service credit for prior retirement
x 2.25%	<u>benefit factor for determined age</u>
20.25%	percent of final compensation on old service

Step 4

20.25%	percent of final compensation
x \$2,200.00	<u>final compensation</u>
\$445.50	allowance on old service

Step 5

\$445.50	allowance on old service
+ \$231.00	<u>allowance on new service</u>
\$676.50	total new allowance

Estimates for Future Retirement Benefits

There are various circumstances that may affect the calculation of your allowance when you re-retire:

- Disability retirement versus service retirement;
- Industrial disability reinstatement to miscellaneous membership;
- Whether reciprocity with another retirement system was involved in your retirement;
- Whether you were receiving temporary annuity benefits.

If you are considering reinstatement from retirement, CalPERS may be able to provide you with an estimate of your **future service retirement** unmodified allowance amount under specific circumstances. **Your request must be in writing.** You must provide CalPERS with the following information.

- Prospective employer and prospective employment date
- Full time or part time employment (include hours per month if part time)
- Projected final compensation for the period of reinstatement
- Future retirement date

Your eligibility for the annual cost-of-living increase (COLA) and the Purchasing Power Protection Allowance will be determined by and based on your re-retirement date and new re-retirement benefits.

Please refer to the mailing information on the margin of this page.

Important

Due to the complexity of these estimates, we encourage you to submit your written request 60 to 90 days before your anticipated date of reinstatement.

Please mail written request for an estimate to:
Member Services Division
Estimate Unit
P.O. Box 942717
Sacramento, CA 94229-2717

BECOME A MORE INFORMED MEMBER

CalPERS On-Line

Visit our Web site at www.calpers.ca.gov for information on all our benefits and programs and to use our online services, including access to your personalized CalPERS information.

Reaching Us By Phone

888 CalPERS (or 888-225-7377) (toll free)

Monday thru Friday, 8:00 a.m. to 5:00 p.m.

TTY for speech & hearing impaired: (916) 795-3240

Seminars & Workshops

Our **Financial Planning Seminars** help you learn about your CalPERS benefits and the importance of financial planning.

Our **Retirement Planning Workshops** review your CalPERS benefits.

Our **Financial Planning Seminars for Retirees** help you keep your financial plan on track after you've retired.

How to Register for Seminars & Workshops

The easiest way to register is by going to CalPERS On-Line. In the Member Information section of the Web site, look for the "Seminars, Workshops & Events" link on the left side navigation bar. You can also register by calling our Customer Contact Center at the number shown above.

Visit Your Nearest CalPERS Regional Office

Visit the CalPERS Web site for directions to your local office.
Monday to Friday, 8:00 a.m. to 5:00 p.m.

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720

Glendale Regional Office

Glendale Plaza
655 North Central Avenue, Suite 1400
Glendale, CA 91203

Orange Regional Office

500 North State College Boulevard, Suite 750
Orange, CA 92868

Sacramento Regional Office

400 Q Street, Room 1820
Lincoln Plaza East
Sacramento, CA 95814

San Bernardino Regional Office

650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408

San Diego Regional Office

7676 Hazard Center Drive, Suite 350
San Diego, CA 92108

San Francisco Regional Office

301 Howard Street, Suite 2020
San Francisco, CA 94105

San Jose Regional Office

181 Metro Drive, Suite 520
San Jose, CA 95110

INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the California Public Employees' Retirement System to provide the following information to individuals who are asked to supply information. The information requested is collected pursuant to the Government Code (Sections 20000, et seq.) and will be used for administration of the CalPERS Board's duties under the California Public Employees' Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to supply the information may result in the System being unable to perform its function regarding your status and eligibility for benefits. Portions of this information may be transferred to State and public agency employers, State Attorney General, Office of the State Controller, Teale Data Center, Franchise Tax Board, Internal Revenue Service, Workers' Compensation Appeals Board, State Compensation Insurance Fund, County District Attorneys, Social Security Administration, beneficiaries of deceased members, physicians, insurance carriers, and various vendors who prepare the microfiche or microfilm for CalPERS. Disclosure to the aforementioned entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership file maintained by the System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, CalPERS, 400 Q Street, P.O. Box 942702, Sacramento, CA 94229-2702.

While reading the information in this booklet, please be aware that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



Reinstatement from Service Retirement Application

888 CalPERS (or 888-225-7377) • TTY for Speech and Hearing Impaired: (916) 795-3240

Do not use this application if you are retired on a disability or industrial disability retirement. Instead, use the Reinstatement from Disability/Industrial Disability Retirement Application provided in this booklet.

Section 1

Please provide your full name including middle initial. Display all dates in this order: Month/Day/Year.

Member Information

Name of Member (First Name, Middle Initial, Last Name)		Social Security Number	
Birthdate (mm/dd/yyyy)	Daytime Phone	Evening Phone	
Address			
City	State	ZIP	

Section 2

Must be completed by a human resources or personnel representative.

Employer Information and Certification

Date of Employment (mm/dd/yyyy)	Position Title (do not abbreviate)
Name of Employer	Employer Code
Address	
City	State ZIP

I hereby certify, under penalty of perjury, that the above information is true, complete, and correct to the best of my knowledge.

Signature of Employer	Position Title	Date (mm/dd/yyyy)
Print Name of Employer	Employer's Phone Number	

Section 3

Member Signature and Certification

I hereby certify, under penalty of perjury, that the above information is true, complete, and correct to the best of my knowledge.

Signature of Member	Date (mm/dd/yyyy)
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Mail to:

CalPERS Benefit Services Division • P.O. Box 942716, Sacramento, California 94229-2716



Reinstatement from Disability/Industrial Disability Retirement Application

888 CalPERS (or 888-225-7377) • TTY for Speech and Hearing Impaired: (916) 795-3240

If you are reinstating from service retirement, do **not** use this form. Refer to the Reinstatement from Service Retirement Application in this publication.

Section 1

Completing this form is a formal request to reinstate into active membership with a CalPERS-covered employer.

Member Certification

Name of Member (First Name, Middle Initial, Last Name) Social Security Number

Address

City State ZIP

I request reinstatement into active CalPERS membership with the following employer, in the following position. I understand that reinstatement can change the benefits I receive now and the benefits I am entitled to in the future.

Name of Employer Job Title Hire Date (proposed) (mm/dd/yyyy)

Signature of Member Date (mm/dd/yyyy) Phone

Section 2

Safety Members Requesting Reinstatement Under Government Code 21197

- ☐ I am requesting reinstatement from an industrial disability retirement into a miscellaneous position under Government Code Section 21197. I have read the Reinstatement from Disability or Industrial Disability Retirement section of this booklet and understand the requirements of this provision.

Section 3

Complete this section if reinstatement is to a different position from which retired. Please attach duty statement.

Employer Certification

It is our intent to hire for the following:

Name of Employer Job Title

Name of Member

Authorized Signature

Title Date (mm/dd/yyyy) Phone

This offer is contingent upon written approval from CalPERS.

Mail to:

CalPERS Benefit Services Division • P.O. Box 2796, Sacramento, California 95812-2796



California Public Employees' Retirement System

400 Q Street
Sacramento, California 95814

888 CalPERS (or 888-225-7377)
www.calpers.ca.gov

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